

Spencer Coggs



State Senator

Assembly Bill 388 Testimony on ASA 1 Heat & Frost Insulator Regulation February 14, 2008

As a former City of Milwaukee Health Inspector, I am happy to join Representative Scott Newcomer, a former home inspector, to introduce Assembly Bill 388 which will provide for the licensing and regulation of those who install thermal system insulation and fire stop products.

This bill will license heat and frost installers in Wisconsin to establish and enforce uniform industry standards, and to provide consumers with the assurance of knowing that there are quality regulations that exist for this important profession.

From my experience, I know the health threat posed by mold and mildew, a common result of improper installation of heat and frost insulation. Aside from mold and mildew, improper installation of thermal insulation and fire stop products can result in structural damage, incomplete protection against fire, and system failure in heating and air conditioning systems.

The bill, as amended, would create a 7 voting member Thermal System Insulation and Fire-Stop Council within the Department of Commerce that would establish the standards for the installation and maintenance of thermal system insulation and fire-stop products. The regulations will include the cost of obtaining a license, enforcement provisions for a State Thermal System Insulation and Fire-Stop/Building Inspector position created by this bill, and set education and training guidelines to obtain the license.

The inspector position would serve as a non-voting member of the Council. This position would serve as both a full time building inspector, as well as being a "clearinghouse" to train other Commerce inspectors on the regulations established by this bill and the guidelines that will be recommended by the Council. It is important to note that this bill does not apply to residential buildings that contain 3 or fewer residential units. In other words, our intention is not to ask that individual homeowners be made to comply with these regulations.

The bill requires 1000 hours of training each year for four years, or successful completion of apprenticeship standards to become a fully licensed thermal system insulation installer. Recognizing that certain trades, such as plumbers, also deal with heat and frost insulation and

fire stop products, we have included an exception for "minor repairs" as defined by the Department of Commerce in the rules making process.

I would also like to let the committee know that this bill has received positive review from many different groups that would be affected by the regulation. In many instances, changes were made to the original bill to reflect the operation of these regulations in a world where there is often crossover between different trades in the installation of heat and frost insulation. Our intent with this bill is not to burden installers with regulation, and we feel we have attempted to take that into account while providing standards that will protect the health of the public. We can't afford **not** to establish these standards at the expense of the health of Wisconsin's citizens.

As you are aware, the bill as amended has already passed through the Senate Committee on Labor, Elections, and Urban Affairs, which I chair, 4-1 as amended and received a 15-1 vote in the Joint Committee on Finance.

Thank you for your consideration of Assembly Bill 388.



Scott Newcomer

STATE REPRESENTATIVE • 33rd ASSEMBLY DISTRICT

Testimony in Support of Assembly Bill 388 Representative Scott Newcomer, Author February 14, 2008

Chairman Honadel and members of the committee, I appreciate the opportunity to offer testimony in support of legislation I have authored, Assembly Bill 388, which seeks to regulate the training and certification of installers of thermal system insulation in and around mechanical systems in buildings in Wisconsin.

The thermal system insulation professionals install insulation around mechanical systems (air conditioning systems, heating systems, and plumbing systems) in buildings. They do *not* install insulation products in the walls of buildings, commonly referred to as "batts or blown insulation". Thermal system insulation is used to insulate any hot or cold surface, and when installed correctly, not only helps to keep hot surfaces hot and cold surfaces cold, but equally as important, keeps the condensation or moisture on those surfaces from escaping improperly or from forming in the first place.

The most common consequence of improperly installed thermal system insulation is the occurrence of mold. Another common and dangerous consequence of improper installation of these products is structural damage to buildings. A third consequence is system failure (heating or air conditioning systems shutting down).

Senator Spencer Coggs co-authored this legislation with me in the Senate, and this legislation has already received a public hearing in the Senate. Following the hearing some groups had some concerns with the legislation and we worked diligently to address those concerns with Assembly Substitute Amendment 1, which is before you today.

Among the many changes made to the original legislation, we:

- Eliminated the licensing of installers of *fire stop products*. The bill now only relates to installers of thermal system insulation.
- Eliminated the licensing of thermal system insulation *contractors*
- Deleted the licensing requirement for those simply *removing* thermal system insulation or those *making minor repairs*
- Limited the state thermal system insulator's powers so that he can only inspect *newly constructed buildings* or those in which the *mechanical systems have been altered*
- **Delayed the date** for the licensing requirement to take effect from 18 months after passage of the bill **to 4 years after passage** so that mechanics have more time to prepare for the licensing requirement and the Department of Commerce has more time to draft Rules and implement the law.

I also want to note that this legislation, even as originally drafted, does not require people living in private residences to use a licensed heat and frost insulator to install thermal system insulation in their home. That exclusion applies to residential buildings containing 3 or fewer residential units. Once again, thank you for allowing me to submit my supportive comments concerning AB 388.



Associated Builders
and Contractors, Inc.

Wisconsin Chapter

TO: Members of the Assembly Committee on Labor and Industry
RE: Oppose AB 388
DATE: February 14, 2008
FROM: John Mielke, Vice President

We question the need for this legislation

Construction in Wisconsin is a highly regulated activity. There are extensive building codes that dictate construction standards (including insulation systems). Additionally, there are state and local building inspectors who oversee the construction process. Further, on a typical commercial or industrial project there is also a project engineer responsible for inspecting all the systems they have engineered. This engineer already inspects the insulation system and requires contractors to address faulty installations.

Increased Cost

At the same time unnecessary regulation will result in increased expenses for consumers and contractors. For example, existing tradesmen (plumbers and HVAC mechanics) commonly engage in insulation work. Requiring this work to be done by a "licensed insulator" would result in employing additional trades at additional cost. Further, a licensure scheme for insulators could create a shortage of available workers complicating scheduling and causing delays.

The bill also requires a license fee of at least \$250 and up to \$1,000 adding a direct cost to those wishing to work in the trade.

Thermal System Insulation Council

The creation of statutory council is unnecessary. The Department of Commerce currently relies on a number of advisory code councils to review proposed codes before adoption. If necessary, a similar advisory council could be created to address issues related to the installation of heat and frost products.

At a minimum, the requirements for membership on this council should simply be that the person holds a credential as either a journeyman or a contractor. The 10 years of experience required by the bill seems excessive and will unnecessarily limit the number of people who could serve.

In short, we are not aware of any "consumer demand" for the regulation of heat and frost insulators nor do we feel that a few isolated instances of improper insulation work cry out for a legislative remedy.

We respectfully ask you to oppose AB 388.

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Topic: Opposed to Assembly Bill 388 and Substitute Amendment 1

1. I am opposed to creating a state insulation inspector. When a commercial or industrial building project is completed there is a project engineer that is assigned to inspect all systems that they are responsible for engineering, which includes the insulation system. This engineer already inspects the insulation system and creates a punch list for faulty installation of the insulation system and then the insulation contractor has to go back and fix any deficiencies listed on the punch list. Having a state inspector is duplicating a function that is already being accommodated by the private sector.
2. Make up of the insulation council: In this state there are merit shop and union shop insulation contracting companies. If this council is to exist it should represent both sectors so there is not a conflict of interest. Of the two members who represent insulation companies and of the two mechanics on the council one should be from a merit shop contractor and the other should be from a union shop contractor.
3. Mechanics on the council should only have to be an established journeyman from the trade. The merit shop apprenticeship program has not been in existence for the past 10 years. The 10 years of experience seems favor one segment of the industry.
4. State inspector should also be any person who has mechanical insulation experience as an established journeyman or estimator from the industry. The provisions in AB 388 to be the "State Inspector" are excessive.
5. While our State Government is in a deficit and the economy is suffering now is not the time for more regulation and the creation of a new government position.

Professionally yours,

Peter J Gauchel
President L&C Insulation
National Insulation Association President 2006/2007



The Associated General Contractors of Wisconsin

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AGC Concerns with Heat Frost Mechanic Licensing Bill - SB 194/ AB 388

Assembly Committee on Labor and Industry

Thursday, February 14

Testimony by Jim Boullion, Director of Government Affairs

Mr. Chairman and committee members, thank you for the opportunity to testify on AB 388.
AGC of Wisconsin is opposed to this legislation and urges you to vote against it.

Limited Usefulness: This legislation originally required the licensing of any contractor or mechanic who installed or removed heat/frost insulation in ceilings, around pipes or ducts or installed fire-stopping products. The proposed substitute amendment now only requires licensing of thermal system insulation mechanics who install insulation around pipes, ducts and equipment. The substitute was introduced because of the legitimate concerns raised by other trades and contracting groups about the over-reaching nature of the bill. We feel that even the remaining licensing requirement is over-reaching and unwarranted.

Wisconsin would be the first state to create this license: To our knowledge, no other states have adopted a similar proposal because they have not seen a need for increased government regulation over and above the existing building code and inspection process.

Jurisdictional Issues and Practicality: While there are specialty companies and mechanics whose main job is insulating ducts and piping, installing, removing and repairing insulation is also a common function of thousands of workers already in the plumbing, HVAC and Millwright trades. It is often impractical and costly to call in a specialist to do a task that can be done by these journeyman workers who are already working on the jobsite. By restricting this type of work to only licensed insulators, you are creating unnecessary coordination issues that can cause costly delays. In addition, you will increase the cost of construction for consumers since there will be a very limited number of licensed thermal insulation mechanics who are available to do the work.

"Fence me out": AB 388 creates significant barriers for workers to get into this trade.

- **Excessive Entry Requirements:** The original bill allowed a person to acquire a license if they had 160 hours of training. The substitute significantly increased the standard and now requires either proof of H/F insulation experience of at least 1,000 hours per year for 4 years or the completion of an approved 4-year apprenticeship program that covers all aspects of insulating. This is a very high threshold and eliminates workers who may specialize in only one type of insulation product.

- **Excessive Cost:** The bill would require a licensing fee of at least \$250 and up to \$1,000 every two years in order to be an insulation mechanic. This is an extremely high fee for the licensure of a trade and will be a burden on individual workers.

Safety: The main safety issue that remains in the substitute, prevention of mold and water damage, is already a high priority issue for contractors and we have significantly increased our efforts to prevent these problems on many levels. We recognize that poorly installed insulation has the potential to create moisture issues in a building. However, the vast majority of those problems have to do with improper plumbing or structural leaks, not the insulation around ducts and pipes.

Use Existing Regulatory Authority: Wisconsin Building codes and inspection procedures already regulate the installation of these insulation products. If problems do exist, they should be handled through better inspections and better training of inspectors. We would strongly support that approach and would work with the Safety and Buildings Division to insure that this issue is taken seriously.

Again, we urge you to vote against passage of this proposal.

I would be glad to try and answer any questions.

Comments of Bruce A. Coleman
Concerning AB 388
Before the Assembly Labor and Industry Committee
February 14, 2008

I am Bruce Coleman, and I have been employed in the Heat & Frost Insulation Industry since 1975.

I want to first of all thank Representative Newcomer and Senator Coggs for authoring and introducing this bill and its companion in the Senate, SB 194. I would also like to thank you, Chairman Honadel, and all of the members of this committee, for your time and consideration today.

If you approve and advance this legislation, you will be approving a very important preventative measure for the citizens of Wisconsin. This legislation will help to protect their health and safety by establishing a training standard for the craftsmen that install thermal insulation material in and around mechanical systems in the buildings throughout our state.

My work on mold issues related to my trade began in 2004 after I read an article in the Daily Reporter about legislation being crafted by Rep. Terese Berceau to potentially license mold abatement workers. Mold abatement workers are the professionals who remove mold *after* it has formed. That prompted me to call Rep. Berceau and discuss how we could *prevent* mold from forming in the first place. In February of 2005, Representative Berceau hosted a Mold Roundtable Discussion here at the Capitol with approximately 40 to 50 professionals participating. It became clear to all of us that day that there was a strong desire to do what we could to work together to eliminate the chance of mold growing in buildings in Wisconsin.

The methods and the materials used in the building trades have changed dramatically during the last 30 to 40 years. We now have single mechanical systems that serve the dual purpose of both heating and cooling a building. We now have central air-conditioning with controls that allow us to command cool air where and when we want it. This is accomplished by including water, or some other liquid, into the HVAC system. Because there is a liquid in the system, there is the risk of condensation forming on the pipes, the ducts, and the support systems leading from that system and adjacent to the system.

All mechanical systems, whether plumbing, heating, or air-conditioning, can produce condensation. Just like a can of cold soda on a warm day will “sweat”; improperly insulated pipes and valves will sweat. Because the majority of the pipes used in mechanical systems are concealed (hidden in the walls or above the ceilings), mold problems develop long before they become apparent. When mold actually becomes noticeable, many mold spores have already been drawn into the ductwork and are being distributed throughout the building, for the building’s occupants to inhale.

What do professionally trained Heat and Frost Insulators do to protect people from these risks?

Because heat and frost insulators are required to insulate a variety of heating, cooling and refrigeration systems, a comprehensive four-year apprenticeship training in our trade is essential.

Presently, there are many different types of insulation materials being manufactured and used, and the type of mechanical system being worked on will determine what type of insulation is used. Most pipe insulation comes from the manufacturer pre-formed to fit the pipe’s diameter, and with a *vapor barrier jacket* applied to

the insulation. Insulation comes in sheets, rolls, and sectional lengths, and also is finish-covered with a variety of metal and PVC jacketing systems, for protection from the weather.

Properly installed *mechanical system insulation* saves energy dollars for the consumer, creates an envelope around the system with the material that is applied, and uses the theory of 'still air' to insulate the system from the ambient conditions that surround the system and the insulation. The *mechanical insulation system* is a continuous system that follows the pipes and ducts through a building, wherever they go. Properly applied *insulation systems* should not have breaks in them. A *continuous insulation seal* prevents the risk that moisture will develop. This is the reason why the installers of the insulation systems must be properly trained.

All of us working in the thermal insulation industry respect the fact that since 1913, Wisconsin has licensed plumbers in our state because of the recognition that the citizen's health and safety depend upon the fact that all plumbing systems in the state are installed properly and according to code. With the knowledge that has been gained during the last 30 years about the risk to Wisconsin's health if mold develops as a result of improperly installed thermal system insulation around mechanical systems, there needs to be the same kind of training and licensing standard applied to the installers of thermal system insulation. Because thermal system insulation, when properly installed, has the effect of eliminating condensation (and the resulting risk of mold) we believe *thermal system insulators* should be licensed for the health and safety of the citizens of Wisconsin.

Scientists and industrial hygienists have stated on record that the only thing that need be present for mold to grow is moisture. Industrial hygienists have stated as an association that we will most

likely never see a *permissible exposure limit* (PEL) for mold spores, like we did for asbestos fibers.

Mold spores can lay dormant in a person's lungs for up to 25 years, with little or no health trouble appearing until a malignant tumor or other life threatening disease like blastomycosis develops.

Therefore, it will take until 2032 to begin to see the health problems related to exposure to mold spores and fungal growth resulting from improperly or poorly insulated mechanical systems being installed today.

I have been a construction professional since 1975 and I have personally witnessed too many of my close friends suffer painful deaths as a result of exposure to asbestos that they installed during a time in this country when the use of asbestos was taken for granted. The community that I came from buried seven very fine men who had applied asbestos during their careers; all the while not being told of the dangers inherent in asbestos.

I feel fortunate to live in a state where we have recognized that the state has an important role in helping to protect its citizens' safety and health. In keeping with that legacy, we have a terrific opportunity to further protect Wisconsin's citizens' health and safety by enacting this legislation. Therefore, I ask for your support for Assembly Substitute Amendment 1 to AB 388. Thank you for your attention. I would be happy to answer any questions.

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